



GLOBAL MARKET SQUARE



Trade Momentum Impacting Market Sentiment, Blackstone Soars, and American Airlines Falls on Lower Guidance for Q3 Amid Softening Demand.

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The U.S. and European stock markets closed mostly higher as investors continued to dissect corporate earnings and the evolving landscape of global trade.

On Wall Street, the Nasdaq led the way, closing up **0.15%**, supported by Alphabet's strong Q2 results. The S&P 500 managed a modest **0.19%** gain, while the Dow Jones Industrial Average lagged, slipping **0.48%**, weighed down by weakness in industrial and consumer stocks.

European equities posted gains, and in Asian markets closed up with Japan's Nikkei extending its rally on the back of a new U.S.-Japan trade agreement, the sixth such deal since "Liberation Day". European and Korean markets also rose amid speculation that similar agreements could be near.

Meanwhile, government bonds sold off globally, with the **10-year U.S. Treasury yields rising five basis points**, closing at **4.43%**, reflecting optimism in risk assets and trade. The U.S. dollar softened slightly against a basket of trade-weighted currencies.

Corporate Earnings of Blackstone Soar, American Airlines Stumbles

Blackstone Inc. delivered a **strong Q2 2025**, with **revenues up 32.73%** and **net income surging 71.46%**, showcasing the firm's resilience and continued momentum in alternative asset management. Robust fee generation and investor appetite for private markets and infrastructure helped propel results, even as broader markets contend with macroeconomic uncertainty.

In contrast, **American Airlines reported a mixed Q2**, with **revenues up just 0.4%** and **net income down 16.4%**, reflecting rising costs and softening demand. Despite hitting a record revenue figure, the carrier's **weaker guidance rattled investors**. American now expects a **Q3 loss of \$0.10 to \$0.60 per share**, citing **intensified fare pressure** in domestic markets—particularly in economy cabins—during what is typically peak season.

The results underscore the widening divide between high-performing asset managers and cyclical transport sectors, which are under strain from shifting consumer trends and economic headwinds.

Trade Winds Accelerate

The U.S.-Japan accords—marking the sixth trade deal in recent weeks—appears to be the blueprint for upcoming negotiations with South Korea and the European Union. Early reports suggest that these deals would impose a 15% tariff on imports, significantly lower than the threatened 25–50% rates set to take effect **on August 1**. Like Japan, South Korea is expected to commit to increased U.S. investment as part of its deal, reinforcing the administration's economic diplomacy efforts.

Still, the 15% tariff sets a new baseline for U.S. trade policy, with President Trump signaling it as a floor rather than a ceiling. Some countries may face tariffs of up to 50% if they fail to comply with U.S. trade objectives. Notably, Vietnam's agreement includes a 20% tariff on domestically produced exports and a 40% tariff on Chinese trans shipments, with officials projecting a one-third reduction in U.S. export volumes over time.

Tariffs Begin to Bite and Labor Market Holds Steady

Economic data released today paints a mixed picture. Initial jobless claims ticked down, suggesting employers remain hesitant to reduce staff despite escalating tariff uncertainty. However, continuing unemployment claims continued to rise, reflecting ongoing challenges for job seekers.

U.S. GDP growth has cooled notably, with the economy tracking at just 1% annualized over the first half of 2025, and the GDPNow for the second quarter was at 2.40% GDP.

Looking ahead, tariff-driven cost pressures could limit hiring and dampen consumer demand, as higher import taxes are passed on to consumers in the form of higher prices at the checkout. That said, strong corporate and household balance sheets may cushion the slowdown, and economists expect a modest rebound in 2026, aided by potential tax cuts and deregulation.

North of the border, the economic outlook is dimmer. Canada's retail sales contracted, and unemployment has crept higher, adding pressure on Prime Minister Mark Carney to finalize a bilateral deal with the U.S. and prevent further disruption to Canada's largest trade relationship.

Corporate Earnings Parade:

1. **Blackstone Inc (BX)** reported 2Q25 revenues of \$3.711 billion, up 32.73%, net income of \$1.626 billion, up 71.46%, and earnings per share of \$1.21, beating estimates. Blackstone had a stock price target of \$160.60 and closed at \$178.11.
2. **American Airlines Group Inc (AAL)** reported 2Q25 revenues of \$14.392 billion, up 0.4%, net income of \$599 billion, down 16.4%, and earnings per share of \$0.91, beating estimates. American had a stock price target of \$13.70 and closed at \$11.46.

Economic Data:

- **U.S. Initial Claims for Unemployment Insurance:** fell to 217,000, down from 221,000 last week, decreasing by 1.81%.
- **U.S. New Single-Family Houses Sold:** rose to 627,000, up from 623,000 last month, increasing 0.64%.
- **30-year Mortgage Rate:** fell to 6.74%, compared to 6.75% last week.
- **Kansas City Fed Manufacturing Production Index:** fell to -3.000, down from 5.000 last month.

Eurozone Summary:

- **Stoxx 600:** Closed at 551.55, up 1.33 points or 0.24%.
- **FTSE 100:** Closed at 9,138.37, up 76.88 points or 0.85%.
- **DAX Index:** Closed at 24,295.93, up 55.11 points or 0.23%.

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 44,693.91, down 316.38 points or 0.70%.
- **S&P 500:** closed at 6,363.35, up 4.44 points or 0.07%.
- **Nasdaq Composite:** closed at 21,057.96, up 37.94 points or 0.18%.

- **Birling Capital Puerto Rico Stock Index:** closed at 4,052.02, up 1.33 points or 0.24%.
- **Birling Capital U.S. Bank Index:** closed at 7,733.36, up 130.99 points or 1.72%.
- **U.S. Treasury 10-year note:** closed at 4.43%.
- **U.S. Treasury 2-year note:** closed at 3.91%.



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US Initial Claims for Unemployment, US Job Openings & US Job Seekers





US New Single-Family Houses Sold, 30-Year Mortgage Rate & Kansas City Fed Manufacturing Production Index



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